National Commission on Energy Policy

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August 10, 2005

Commissioners John Geesman and James Boyd
Presiding and Associate Members, 2005 IEPR Committee
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

Dear Commissioners Geesman and Boyd,

I am responding, on behalf of the National Commission on Energy Policy, to the questions posed to the Commission in your letter of July 14, 2005. I am a member of the Commission and a coauthor of its December 2004 report (Ending the Energy Stalement: a Bipartisan Strategy to Meet America's Energy Challenges). Your questions and the Commission's responses follow below:

1. The National Commission on Energy Policy in its December 2004 report *"Ending the Energy Stalemate: A Bipartisan Strategy to Meet American's Energy Challenges"* at www.energycommission.org has proposed an overall energy policy package, which includes a nuclear policy element. The National Commission on Energy Policy also indicated that a "substantial expansion" in nuclear energy would require surmounting four substantial challenges (reducing the costs of reactor construction and operation, simultaneously achieving a ten-fold or more reduction in the probability of a major release in radioactivity resulting from not only malfunction and human error but also terrorist attack, the federal government demonstrating to the utilities and the public that it can meet its obligations to take possession and sequester the highly radioactive spent fuel from reactor operations, and that a highly effective international program be established to resolve the risks of proliferation). How likely is it that these four challenges can be surmounted?

RESPONSE: With respect to this "substantial expansion," the Commission's report (p. 58) concludes that "[a]chieving that result will not be easy," and that the four conditions represent "substantial challenges." Commission members would no doubt give different responses if pressed for further detail on "how likely" ultimate success will be. The report also includes specific recommendations (pp. 59-61) on "the array of government efforts that the Commission believes warranted in order to maximize the chance that nuclear power will be able to play an expanding role in U.S. and world energy supplies."

2. What are the likely costs and benefits of the U.S. Department of Energy's Nuclear Power 2010 program? To what extent does this program address the four substantive challenges identified by the National Commission on Energy Policy?

RESPONSE: The Commission's report recommends an "expanded portfolio of federally funded energy research, development and deployment" including "advanced nuclear energy technologies to enable nuclear expansion by lowering cost and reducing risk from accidents, terrorist attacks, and proliferation" (p. 105). The report also calls for "provid[ing] $2 billion over ten years from the federal energy research, development and deployment budget for the demonstration of one or two first mover advanced nuclear power plants (p. 60)." The Commission did not discuss or attempt to evaluate U.S. Department of Energy's Nuclear Power 2010 program, however.

The Commission wishes you all the best in this inquiry and appreciates the opportunity to comment.

Best regards,

Ralph Cavanagh